

Message Text

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SUBJECT: UDOJI FEVER SUBSIDES

REFS: (A) LAGOS 1316; (B) LAGOS 1551

SUMMARY: WHILE LABOR UNREST CONTINUES TO PLAGUE SOME AREAS IN PRIVATE SECTOR, GENERAL IMPRESSION IS THAT CRISIS IN INDUSTRIAL SCENE OVER UDOJI ISSUE HAS BEEN PASSED, AT LEAST FOR TIME BEING. MILITARY PAY RAISE, EXPECTED IN LATE APRIL, COULD REOPEN ENTIRE ISSUE, ESPECIALLY IF NEW SALARY SCALES APPEAR OUT OF PROPORTION TO UDOJI LEVELS. IT NOW SEEMS SAFE TO SAY NIGERIA CAN NO LONGER BE CONSIDERED A "CHEAP" LABOR MARKET, ESPECIALLY IN AFRICA.
END SUMMARY

1. FEBRUARY 17 DEADLINE SET BY NLC STEERING COMMITTEE FOR COMPLETION OF MEANINGFUL NEGOTIATIONS IN PRIVATE SECTOR PASSED WITHOUT INCIDENT, MAINLY BECAUSE NUMBER OF FIRMS AND UNIONS HAVE EITHER COMPLETED NEGOTIATIONS OR ARE IN MIDST OF SERIOUS DISCUSSIONS. MORE SETTLEMENTS BEING ANNOUNCED DAILY, MANY OF WHICH CARRY ARREARS PAYMENTS SIGNIFICANTLY LARGER THAN THREE MONTH LIMIT SUGGESTED BY FMG (REFTEL A). STRIKES CONTINUE TO OCCUR, ESPECIALLY IN MEDIUM AND SMALL INDUSTRIES, BUT GENERAL
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FEELING IS THAT UDOJI CRISIS HAS PEAKED AND INDUSTRIAL SCENE

LIKELY TO BE LESS HECTIC IN NEXT FEW WEEKS. LABOR MINISTRY ANNOUNCED FEBRUARY 19 THAT SPECIAL CONCILIATION TEAMS SET UP TO HANDLE UDOJI-RELATED PROBLEMS (LAGOS 11829) HAVE RECORDED 157 CASES, WITH 45 HAVING BEEN SETTLED. OTHER 112 STILL RECEIVING ATTENTION, WITH BULK OF DISPUTES OCCURRING IN LAGOS. (NOTE: SINCE IT SEEMS LIKELY THAT NOT ALL DISPUTES WERE REFERRED TO SPECIAL CONCILIATION TEAMS, FIGURES MAY NOT BE ACCURATE COUNT OF DISPUTES WHICH HAVE TAKEN PLACE, BUT DO GIVE GOOD PICTURE OF WIDESPREAD NATURE OF UNREST.)

2. RELEASE OF MILITARY PAY SCALES (REFTEL B), PARTICULARLY IF THESE SCALES ARE SIGNIFICANTLY OUT OF LINE WITH THOSE GIVEN OTHER PUBLIC SERVICE EMPLOYEES, COULD CAUSE RENEWAL OF LABOR UNREST, WITH RELATIVITY WITHIN PUBLIC SERVICE POSSIBLY AGAIN BECOMING A BURNING ISSUE.

3. CHARGES OF POLITICAL INTRIGUE BEHIND STRIKES, AS NOTED PREVIOUSLY, APPEAR GENERALLY UNFOUNDED EXCEPT THAT THEY DO REFLECT INTER-UNION RIVALRIES. LEFT-WING UNION LEADERS HAVE BEEN QUICK TO NOTE AND USE UDOJI-INSPIRED EMOTIONAL ISSUES TO THEIR ADVANTAGE, WHILE TOP LEADERS OF MODERATE UNIONS HAVE LIMITED THEIR PUBLIC STATEMENTS TO CALLS FOR CALM AND PATIENCE. WHILE THESE LATTER STATEMENTS ARE PERHAPS NECESSARY AND CORRECT, THEY DO NOT REFLECT RANK AND FILE FEELINGS AND THEREFORE GIVE RISE TO RUMORS THAT MODERATES MAY BE DOING BIDDING OF SOME FMG OFFICIALS TO SPLIT UNION MOVEMENT ON UDOJI ISSUE.

4. COMMENT: BASED ON EXPERIENCES WHICH OCCURRED IN AFTERMATH OF PREVIOUS WAGE REVIEWS, NIGERIA WILL PROBABLY SEE SEVERAL MONTHS OF INTERMITTENT LABOR UNREST AS VARIOUS PORTIONS OF PRIVATE SECTOR WORK OUT DIFFERENCES OF UDOJI-RELATED ISSUES. MOL OFFICIALS HAVE BEEN QUICK TO NOTE INDUSTRIAL TURMOIL GENERATED BY UDOJI HAS IN FACT BEEN LESS SEVERE THAN THAT WHICH FOLLOWED 1971 ADEBO REPORT OR 1964 MORGAN REPORT. THIS CAN PERHAPS BE EXPLAINED BY WIDE-SPREAD EARLY KNOWLEDGE OF UDOJI RECOMMENDATIONS WHICH ALLOWED ADVANCE PREPARATIONS BY PRIVATE SECTOR COMPANIES, AND IMPROVED FINANCIAL SITUATION IN COUNTRY WHICH JUSTIFIES HIGHER WAGE RATES. ONE PRIVATE COMPANY OFFICIAL PRIVATELY CLAIMS HIS COMPANY WAS FULLY PREPARED TO PAY UDOJI LEVEL WAGES AND ARREARS, BUT IN ORDER TO SAVE FACE ALLOWED LIMITED OFFICIAL USE

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UNION LEADERS TO HOLD ONE WEEK STRIKE BEFORE "GIVING IN" TO UNION DEMANDS.

5. ALTHOUGH BOTH UNION AND MANAGEMENT SPOKESMEN, IN ANNOUNCING SETTLEMENTS, HAVE CALLED ON WORKERS TO IMPROVE PRODUCTIVITY TO JUSTIFY NEW WAGE RATES, IT REMAINS TO BE SEEN IF THERE IS ACTUALLY ANY IMPROVEMENT IN THIS RESPECT. NEW WAGE RATES MUST PUT NIGERIAN WORKERS AMONG HIGHEST PAID IN AFRICA, WHICH SHOULD

INDICATE THAT NIGERIA CAN NO LONGER BE CONSIDERED A NATION WITH
A "CHEAP" LABOR FORCE.
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